

**Nick Ramsay AM**

Chair, Public Accounts Committee  
National Assembly for Wales

21 November 2018

Dear Nick,

Thank you for your letter on 24 October regarding the Welsh Government's Supporting People Programme.

Firstly, I would like to thank the Committee for providing such robust and effective scrutiny of the Welsh Government's plans to merge Supporting People with nine other grants to form a new Early Intervention: Prevention and Support (EIPS) super grant. I know that this was not the Committee's original focus, but we were very pleased that members recognised the significance of this issue and provided much needed scrutiny regarding the lack of meaningful engagement with the sector and the risks associated with the proposal. The articulation of these concerns in your subsequent report – and the recommendation urging Ministers to consider the alternative solution – played a key role in shaping the discourse and decision. We, and our members, are grateful to members of the Committee for their continued interest and engagement in the Programme and the people it serves.

**A constructive alternative**

As it is nearly a year since we gave evidence to the Committee, I believe it would be helpful to outline the steps that we took to build support for the alternative two grant solution that Welsh Ministers have chosen to adopt. I hope this will be useful in your consideration of their decision.

As the representative body for the homelessness and housing-related support sector, we felt a responsibility to engage positively with the Government's work and to provide a constructive alternative, rather than simply criticising their plans from the side lines. We were aware of the Welsh Government's desire to reduce the number of grants they manage and considered whether there was a way to achieve this without risking the provision of services for vulnerable people. As a result, we decided that we would not defend the status quo of having Supporting People ring-fenced on its own. Instead, we developed the alternative two-grant proposal which we first articulated in our evidence to your committee. This, we believed, would reduce the risks and concerns associated with the EIPS super grant, but would also assist the Welsh Government to reduce the number of grants from ten to two.

It is worth pointing out that this required a shift in policy from our members, who have campaigned to retain the ring-fence around Supporting People on its own for the past decade. However, in asking the Welsh Government to change their plans, we knew that our members would need to be open to changing their historical position. We asked our members to trust our analysis and support our alternative proposal – and they did. We remain proud of their positive, constructive engagement during a stressful time for them, their organisations and the people they support.

## **Increasing support for the alternative**

We were also keen to demonstrate that our alternative two-grant solution had widespread support from across the sector. In the months following our evidence to your Committee, we secured the support of key national housing and support bodies in Wales such as Community Housing Cymru, Shelter Cymru, Welsh Women's Aid, Tai Pawb, EROSH South Wales, CIH Cymru, Rough Sleepers Cymru, Housing Justice Cymru, and the End Youth Homelessness Cymru founding members. This support was formalised in our 'Housing Matters' [report](#) in June, which featured comments from third sector support providers, housing associations and people working in local authorities. As well as highlighting the risks of the EIPS super grant, this report outlined the opportunities to work more strategically and collaboratively if a new merged housing grant was created instead of the EIPS super grant.

During the summer we also held conversations with the WLGA about our alternative two-grant proposal and whether we could come to an agreement about a sensible way forward. These discussions were very positive and as a result, Cymorth and CHC wrote to Ministers highlighting our conversations and an agreed way forward (see Annex A). On 28 September 2018 the WLGA Council met and agreed a [paper](#) in support of the alternative two-grant solution and subsequently wrote to Ministers to inform them of this decision.

As Committee members can see, an alternative which was first articulated in evidence to the Public Accounts Committee gained widespread support from key statutory and non-statutory organisations based on the evidence available and the merits of our proposal.

## **Interim evaluation report**

The interim evaluation recognises that the "*Flexible Funding programme remains in an early stage of delivery, which means that a conclusive picture of the success, or otherwise, of the programme is yet to emerge*". It was evident to us a year ago that this would be the case, as the Pathfinder programme was only implemented in April. Spend plans had already been developed by the time the flexible funding announcement was made and multi-year contracts meant that any significant change within the first year would be highly unlikely. It is also worth noting that our concerns were never about the immediate impact of the proposed change and were always focused on the medium to long term impact on funding and services.

The interim evaluation report unsurprisingly references natural alignments between the housing-related grants within the EIPS and alignments between the family-related grants. There are several references to our alternative proposal and the report recommends further consideration and review of the two-grant solution. However, we were very clear in our letter to Ministers in September that we needed a decision this year – the uncertainty and instability was having too great an impact on the sector. Any delay in a Ministerial decision could have led to delays in the development of supported accommodation projects, loss of morale and increased staff turnover. As a result, we strongly support the Welsh Government's decision to move to the two grant solution in April 2019.

The interim evaluation report highlights some positive developments in terms of improved communication between the ten grant programmes within local authorities. We welcome this and would like to see it continue as the two grant approach is implemented. The work to improve understanding of local needs and align service provision within the Pathfinder areas should be

shared and encouraged more widely across other local authority areas. However, we have always been very clear that this good practice does not require a single grant mechanism – it simply requires local authorities to communicate more effectively internally.

One concern that we raised about the interim evaluation was the lack of engagement with non-statutory stakeholders within the Supporting People sector. I believe that the evaluation team spoke with Welsh Government officials, local authorities and four out of the six SP Regional Collaborative Committee leads. However, there was no engagement with any third sector support providers or housing associations. While I understand that the primary focus was on changes to systems inside local authorities, we would have appreciated the opportunity for non-statutory bodies within the sector to comment on how this was being perceived and experienced. Had the evaluators spoken to these stakeholders, I am confident that the case for a two-grant solution would have been far more prominent within the report. We have been assured that a broader range of stakeholders will be involved in the second phase of the evaluation.

### **The draft budget announcement**

We are extremely happy with the Welsh Government's draft budget announcement on 2 October 2018. Ministers demonstrated that they had listened to the sector's concerns and carefully considered the alternative proposal that we had put on the table. As a result, they were able to fulfil their objective of merging funding streams, but with fewer risks to vulnerable people. This decision has been warmly welcomed by third sector support providers, housing associations and by many people working in local authorities.

Our only disappointment with the announcement is the length of time that the ring-fenced Housing Support Grant is guaranteed to be in place (until the end of this Assembly term). We would have preferred Ministers to have made a longer term commitment for at least five years, as signalled in our letter of 19 September 2018. While we understand Ministers' reluctance to make commitments beyond this Assembly term, it is common for Welsh Government to publish strategies which commit to particular policies or structures for a period of ten years. We understand that a new government may review or change policy following National Assembly elections, but we would have welcomed a longer term commitment.

Having said that, we are very pleased that the commitment is longer than one year. The sector desperately needs stability after several years of uncertainty associated with the UK Government's (now discarded) plans to devolve housing benefit costs for supported accommodation and the last year of uncertainty associated with support costs and the proposed EIPS super grant. Assurances that this ring-fence will be in place until the end of the Assembly term is certainly a positive step in the right direction and we hope that the new government in 2021 renews this commitment for a longer period of time.

### **Stakeholder engagement**

As discussed during our evidence session last year, we were extremely disappointed and frustrated with the lack of communication and engagement between civil servants and the sector prior to the publication of the detailed budget in October 2017. Although I have been a member of

the Flexible Funding Pathfinder group over the last twelve months and have been able to voice my opinions in these meetings, there continued to be a lack of meaningful and constructive engagement during much of this time between officials and the wider housing sector regarding their concerns and their calls for an alternative solution.

However, on a political level the Minister for Housing and Regeneration made a clear and public commitment to carefully consider the sector's views. This approach has been welcomed by our members and she certainly delivered on this promise. Now that Ministers have made the decision to create a new Housing Support Grant, we are confident that officials in the housing directorate will take this work forward in a constructive and co-productive manner.

### **Next steps**

A Housing Support Grant Steering Group has been established and met for the first time today. We are members of the steering group, alongside Welsh Government officials, CHC, Shelter Cymru, the WLGA and two local authority representatives. The group will assist the Welsh Government in designing stakeholder engagement to inform development of appropriate administration, governance, planning and monitoring arrangement for the new grant; ensure that it operates in parallel with the Communities and Children Grant; and provide advice on addressing the Wales Audit Office recommendations.

The terms of reference for this group commit to a co-productive approach to stakeholder engagement. We have already embarked on this process at today's meeting and have plans for detailed and widespread engagement with a range of stakeholders over the coming weeks and months. We have faith that officials in the housing directorate will deliver positive and meaningful engagement with the sector. We have already experienced their commitment to co-production during the development of the Welsh Government policy response to the Supported Accommodation Review in 2017 and 2018. Their approach during this process was welcomed by support providers, landlords and local authority staff.

We are extremely committed to working with the Welsh Government and other stakeholders over the coming months to develop the arrangements for the new Housing Support Grant. We have given the Minister our assurance that we will facilitate and encourage positive and constructive engagement between government officials, our membership and other stakeholders. This will require us to tackle difficult issues, such as some of those raised in the Wales Audit Office and Public Accounts Committee reports, but we are committed to working hard to ensure that the Housing Support Grant is as effective as possible for the people who need it.

Please do not hesitate to get in touch if you would like any further information.

Best wishes,



**Katie Dalton**

Director, Cymorth Cymru

**Rebecca Evans AM, Minister for Housing and Regeneration**  
**Mark Drakeford AM, Cabinet Secretary for Finance**  
cc. Carwyn Jones AM, First Minister

19 September 2018

Dear Minister and Cabinet Secretary,

### **Supporting People Programme and Homelessness Prevention Grant**

We are writing to you about the future of the Supporting People Programme and the Homelessness Prevention Grant. We know that you have been considering this issue over the summer and will be making a decision imminently.

Over the last ten months we have been clear about the risks posed by the proposed EIPS Grant. However, rather than simply defending the status quo, we have very deliberately proposed a [constructive alternative](#) which reduces the number of grants managed by the Welsh Government.

We have also worked extremely hard to gain the backing of our members, as this is a clear shift away from our historical position of Supporting People being ring-fenced on its own. However, we are pleased to have secured support from our members and a number of national organisations from across the housing and support sector, including VAWDASV service providers.

We are also pleased to inform you that we have recently had some extremely constructive and productive meetings with colleagues in the WLGA and believe that we can find a way forward that has the support of our respective members. We understand they will be writing to you separately after further discussion with their members.

Following these conversations with the WLGA, we are writing to you to request that Ministers take the following decisions about the future of homelessness and housing-related support in Wales:

- Split the proposed EIPS Grant into two – with the housing grants ring-fenced together.
- Commit to this ring-fenced grant being in place for a minimum of 5 years, so that the sector has the certainty and stability it needs to develop and deliver services at a time when homelessness is an enormous challenge.
- Make this decision now, rather than delaying it, so that support providers, housing associations, lenders and local authorities can plan for future developments and delivery.

This certainty would be warmly welcomed by the homelessness and housing-related support sector and would enable them and us to:

- Pursue innovative and evidence-based approaches to reducing rough sleeping and other forms of homelessness, including the development of psychologically informed services and the roll-out of Housing First and assertive outreach in line with the Rough Sleeping Action Plan.
- Work collaboratively with Welsh Government, WLGA, our members and other stakeholders over the coming months to review the role and responsibilities of SPNAB and the RCCs to:
  - a) Incorporate responsibility for homelessness prevention into these structures.
  - b) Address issues with the current system, including the challenges raised by the WAO.
- Engage with work to evaluate and review the new grant structure during the five year period.

Finally, we believe it is important to communicate the context in which we make these representations. We cannot overstate the impact that funding uncertainty has had on our members over the last three years. The UK Government's ever-changing policy on the devolution of supported accommodation funding has created huge instability and hindered development since 2015. The additional uncertainty surrounding Supporting People since October 2017 has compounded this issue and led to some organisations questioning the viability of remaining in this sector. Our members have been clear with us: they can't go on like this.

Collectively, we have worked hard to develop a consensus around our alternative solution within our membership and with several external stakeholders. We would really welcome clarity and certainty over the coming weeks so that we and our members can focus on preventing homelessness and supporting vulnerable people to live independently.

We look forward to hearing from you.

Yours sincerely,



**Katie Dalton**  
Director  
Cymorth Cymru



**Stuart Ropke**  
Chief Executive  
Community Housing Cymru